

State Notes

TOPICS OF LEGISLATIVE INTEREST

May/June 2005



Secretary of State Branch Office Reductions/Consolidations **By Bill Bowerman, Chief Analyst**

Introduction

On April 26, 2004, the Secretary of State announced a new Branch Optimization Plan designed to modernize the Department of State's branch office structure. The Plan was promoted as a way to provide quality services to customers within existing resources through branch office expansions, relocations, and consolidations. As a result of the Plan, the number of branch offices eventually will be reduced from 173 to 153. This article provides an overview of the Branch Optimization Plan and an update of its current status.

Background

Michigan Compiled Law 257.205(1) provides the following requirements for location of Secretary of State branch offices:

Sec. 205. (1) The secretary of state shall maintain an office in the state capitol complex, and in other places in the state as the secretary of state considers necessary to carry out the powers and duties vested in the secretary of state. At least 1 office shall be established in each county of the state and in each city of the state having a population of 10,000 or more, but not within a radius of 5 miles from a county office location. This subsection does not apply in a county having a population of 300,000 or more, nor to contiguous cities having a combined population of 10,000 or more. . .

The above statutory requirements are substantially the same as those originally included in the Michigan Vehicle Code in 1949 under the old fee branch system. Fee branches were vestiges of the patronage system. Local businesses negotiated agreements with the Secretary of State to operate offices that issued vehicle registrations and titles. Local police and sheriff departments issued driver licenses. The fee branch system was terminated in the mid-1970s through a consent agreement with the Michigan Civil Service Commission. Before the fee branch system was terminated, there were 270 fee branches.

Based on the requirements contained in MCL 257.205, and in some cases legislative input regarding the location of certain branch offices, the branch office system operated by State civil servants remained basically constant since it replaced the fee branch system. These branch offices over time assumed the responsibility of issuing driver licenses. The number of branch offices reached 181 in the mid-1980s. Since that time, technological improvements have dramatically changed the options available for transacting business with the Department of State. Many transactions can be conducted without a visit to branch offices through the use of fax machines, the phone, the postal service, or the Internet. However, technology improvements and population shifts did not result in dramatic changes to the overall number of branch offices over the last 30 years.

Before the Branch Office Optimization Plan was issued in April 2004, there were 173 Secretary of State branch offices. Fifty-eight counties had the minimum one branch location. Those 58 counties ranged in population from 2,227 to 110,331. Seven of the 12 counties affected by the Optimization Plan will be reduced to one branch office. They range in population from 26,230 to 64,616. The change increases the number of counties with one branch office from 58 to 65. When the final phase of the Branch



Optimization is completed, there will be 153 branch offices. Table 1 lists the 12 counties that will have a net reduction of branch offices under the Optimization Plan.

Table 1

SECRETARY OF STATE BRANCH OFFICE REDUCTIONS				
County	2003 Population	Branch Offices*	Optimization Plan	Change
Berrien	162,766	4	2	(2)
Genesee	442,250	7	6	(1)
Kalamazoo	242,110	3	2	(1)
Macomb	813,948	12	10	(2)
Marquette	64,616	2	1	(1)
Mecosta	41,728	2	1	(1)
Montcalm	62,926	2	1	(1)
Roscommon	26,230	2	1	(1)
St. Joseph	62,864	2	1	(1)
Sanilac	44,583	3	1	(2)
Tuscola	58,382	2	1	(1)
Wayne	2,028,778	27	21	(6)
Net Reduction:				(20)
* As of April 2004.				

Source: Department of State

The Branch Optimization Plan involves the creation of PLUS branch offices and SUPER Center branch offices, as described below:

PLUS Branch Offices. The Department of State is in the process of creating 22 "PLUS" branch offices that will provide expanded hours, customer service specialists stationed in the lobby to facilitate efficient service to the public, cabling for technological upgrades, credit/debit card payment options, additional staff, and improved access to the buildings. New PLUS offices will be established in the Counties of Berrien (2), Eaton, Kalamazoo (2), Lapeer, Macomb, Mecosta, Marquette, Montcalm, Oakland (2), Roscommon, Sanilac, St. Joseph, Tuscola, and Wayne (6).

SUPER Center Branch Offices. The Department will establish five SUPER Center locations to provide specialized services regionally. The services will include all of the features of PLUS offices, and direct customer access to driving records, instant title service, mechanic testing, driver assessment and appeal services, international registration plan services, additional full-time staff, and Saturday office hours. SUPER Centers will be located in the Counties of Genesee, Kent, Macomb, and Wayne (2).

The number of branch offices will be reduced from 173 to 153. The reduction is a net change. Thirty-six branch offices will be closing and 16 new locations will open under the Branch Optimization Plan. In developing the new branch office structure, the Department of State reviewed the population changes of each area, the distance between branch offices, and the trend in the number of transactions. Table 2 lists the communities that will be affected by the Branch Optimization Plan.



Table 2

SECRETARY OF STATE BRANCH OFFICE CLOSINGS AND CONSOLIDATIONS		
Branch Office Closings		New Consolidated Office
Berrien:	Benton Harbor St. Joseph	North Berrien County PLUS (Benton Township)
	Niles Three Oaks	South Berrien County PLUS (Niles)
Eaton:	Delta Township	Delta Township PLUS
Genesee:	Flint (East) Flint (South)	Flint Area SUPER Center
Kalamazoo:	Kalamazoo (West) Kalamazoo (Downtown)	Kalamazoo County PLUS (Kalamazoo)
	Portage	South Kalamazoo PLUS (Portage)
Kent:	Grand Rapids (Southeast)	Grand Rapids SUPER Center (Grand Rapids SE)
Lapeer:	Lapeer	Lapeer County PLUS (Lapeer)
Macomb:	Clinton Township Roseville	Clinton Township SUPER Center (Clinton Twp.)
	St. Clair Shores (North) St. Clair Shores (South)	South Macomb PLUS (St. Clair Shores)
Marquette:	Ishpeming Marquette	Marquette County PLUS (Marquette)
Mecosta:	Big Rapids Remus	Mecosta County PLUS (Big Rapids)
Montcalm:	Greenville Stanton	Montcalm County PLUS (Greenville)
Oakland:	Pontiac (Downtown) Pontiac (Northeast)	Central Oakland County PLUS (Pontiac)
	Livonia Office (portion of)	Southwest Oakland County PLUS (Wixom)
Roscommon:	Prudenville Roscommon	Roscommon County PLUS (Prudenville)
Sanilac:	Croswell Marlette Sandusky	Sanilac County PLUS (Sandusky)
Tuscola:	Caro Vassar	Tuscola County PLUS (Caro)
Wayne:	Allen Park Southgate	Southeast Wayne County PLUS (Lincoln Park)
	Belleville Romulus	Southwest Wayne County PLUS (Belleville)
	Canton	West Wayne County PLUS (Canton Twp.)
	Dearborn Hgts-Redford	Northeast Wayne County PLUS (Dearborn Hgts-Redford)
	Detroit 7 Mile Detroit Greenfield	Northwest Detroit Plus (Detroit 7 Mile)
	Detroit New Center	Detroit SUPER Center (Detroit – Cadillac Place)
	Livonia Livonia (South) Livonia (West)	Portion - Southwest Oakland County PLUS(Wixom) Livonia SUPER CENTER (Livonia)
	Wayne Westland	Central Wayne PLUS Office (Westland)

Source: Department of State



Conclusion

To date, the Department of State has opened new SUPER Center offices in Detroit and Grand Rapids. PLUS offices have been completed in Belleville, Benton Township, Big Rapids, Canton, Northwest Detroit, Delta Township, Lapeer, Niles, Prudenville, Sandusky, and Sturgis. The Branch Optimization Plan was designed to increase efficiency and improve customer service provided at Secretary of State branch offices. However, the current revenue and spending demands on the State budget will result in additional changes to the structure and staffing of branch offices. As with other areas of the State budget, the Department of State has experienced Executive Order reductions and unfunded economic costs. Restricted sources of funding for the Department also are coming in below the estimates used to develop annual appropriations. Using alternative methods (technology) to avoid the need to transact business at the branch offices could mitigate the impact of future reductions. It is certain, however, that current budget constraints will have a major influence on future changes to the branch office system.